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October 31, 2012

The Honorable Edmund J. Ludwig,
U.S. District Judge
U.S. District Court for the Eastern District of Pennsylvania
U.S. Courthouse
601 Market Street
Philadelphia, PA 19106-1797

The Honorable Linda K. Caracappa
U.S. Magistrate Judge
U.S. District Court for the Eastern District of Pennsylvania
U.S. Courthouse
601 Market Street
Philadelphia, PA 19106-1797

Re: *Hisey, et al. v. Nova Financial Holdings, Inc., et al.*
2:11-cv-02604-EL

Dear Judges Ludwig and Caracappa:

This firm represents recently joined third party defendants Delaware Valley Financial Group; Delaware Valley Financial Group, LLC; Thomas Schirmer and Mark Smith in the above referenced consolidated matter.

As your Honors have probably have read in the newspapers, Defendant Nova Bank was closed by the Pennsylvania Department of Banking and the Federal Deposit Insurance Corporation was appointed Receiver of its assets on October 26, 2012. Furthermore, Nova Financial Holdings, Inc. filed a Petition as a Debtor under Chapter 7 of the Bankruptcy Act on October 30, 2012, case number 12-20140-jkf.

There has been a settlement conference scheduled by Magistrate Judge Caracappa for December 5, 2012. I am attached for trial on that day (as well as the proceeding days that week) before Vice Chancellor Laster in the Delaware Chancery Court. My client would prefer that I attend any settlement conference. However, if the Court would prefer to proceed on December 5th, my client will participate and be represented by another lawyer from this office.

However, in light of the closure of Nova Bank and the Chapter 7 Bankruptcy of Nova Financial Holdings, Inc., absent the consent of the FDIC and an Order of the U.S.

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Bankruptcy Court allowing the case to go forward, we do not believe that the Court can hold the settlement conference at this time.

We would appreciate Your Honors' guidance.

Respectfully,

Alan S. Fellheimer
ASF:mys
cc: All counsel of record